

Fund 403

Sewer Bond Parity Debt Service

Focus

Fund 403, Sewer Bond Parity Debt Service, records debt service obligations incurred from bonds issued in accordance with the 1986 Sewer Bond Resolution. An amount of \$7,261,540 is required for this fund in FY 2006 including \$1,810,000 in principal payments and \$5,446,540 in interest payments for outstanding 1996 Series Refunding Bonds and an amount of \$5,000 for fiscal agent fees. All debt service payments are supported by Sewer System Revenues.

The bond proceeds are used to fund a portion of the treatment facility's expansion from 54 million gallons per day (MGD) to 67 MGD, as well as the construction of a nitrification process for the removal of ammonia nitrogen as required by the State Water Control Board. This removal of nitrogen will improve the quality of the effluent produced at the Noman M. Cole, Jr. Pollution Control Plant.

Changes to FY 2005 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2005 Revised Budget Plan since passage of the FY 2005 Adopted Budget Plan. Included are all adjustments made as part of the FY 2004 Carryover Review and all other approved changes through December 31, 2004:

- ◆ There have been no revisions to this fund since approval of the FY 2005 Adopted Budget Plan.

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FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 403, Sewer Bond Parity Debt Service

	FY 2004 Actual	FY 2005 Adopted Budget Plan	FY 2005 Revised Budget Plan	FY 2006 Advertised Budget Plan
Beginning Balance	\$1,053,274	\$974,177	\$1,515,672	\$923,010
Transfer In:				
Sewer Revenue (400)	\$68,702,004	\$6,695,912	\$6,695,912	\$6,720,045
Total Transfer In	\$68,702,004	\$6,695,912	\$6,695,912	\$6,720,045
Total Available	\$69,755,278	\$7,670,089	\$8,211,584	\$7,643,055
Expenditures:				
Principal Payment ¹	\$60,265,000	\$1,705,000	\$1,705,000	\$1,810,000
Interest Payments ¹	7,842,940	5,545,399	5,545,399	5,446,540
Fiscal Agent Fees ²	52,569	5,000	5,000	5,000
Total Expenditures ³	\$68,160,509	\$7,255,399	\$7,255,399	\$7,261,540
Non Appropriated:				
Amortization Expense ⁴	\$79,097	\$33,175	\$33,175	\$33,175
Total Disbursements	\$68,239,606	\$7,288,574	\$7,288,574	\$7,294,715
Ending Balance^{5, 6}	\$1,515,672	\$381,515	\$923,010	\$348,340

¹ The bond principal and interest payments are shown as expenditures. However, for accounting purposes, the Consolidated Annual Financial Report will show these disbursements as "Construction in Progress" to be capitalized.

² In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$25,272 has been reflected as an increase to FY 2004 expenditures. The audit adjustment has been included in the FY 2004 Comprehensive Annual Financial Report (CAFR). Details of the FY 2004 audit adjustments will be included in the FY 2005 Third Quarter Package.

³ FY 2005 Sewer Bond Debt actions will be reflected at the FY 2005 *Third Quarter Review* and FY 2006 adjustments will be incorporated in the FY 2006 Add-On process.

⁴ In order to capitalize the 1996 bond costs, an amount of \$33,175 is amortized for 20 years and designated as an annual non-appropriated amortization expense for the 1996 bond series.

⁵ In FY 2006, the ending balance of \$348,340 will support the reserves required to cover the remaining amortization of issuance costs for 1996 bonds.

⁶ The Wastewater Management Program maintains fund balances at adequate levels relative to projected debt service requirements. Fund Balances fluctuate from year to year based on actual debt requirements and are used to cover amortization of issuance costs.